

PRINCE ALBERT ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 6

POLICY ITEM: Investment Management

CODE: DA

LEGAL STATUS: BOARD MOTION #285.25

DATE APPROVED: 24Nov25

Background The purpose of this Policy is to document a governance framework for the prudent management of investments of Prince Albert Roman Catholic Separate School Division No. 6 (“PARCSSD”) within an acceptable investment risk tolerance level.

POLICY **It is the policy of PARCSSD to invest public funds in a manner which will provide the optimal blend of investment returns and principal protection while meeting the daily cash flow and liquidity demands of PARCSSD and complying with statutory requirements of *The Education Act, 1995* and *The Financial Administration Act, 1993*.**

Scope This Policy applies to the investment of all cash, short-term and long-term assets of PARCSSD.

Objectives

- **Capital Preservation**
 - Preservation of capital is the foremost objective of PARCSSD investments. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital whilst managing credit risk and interest rate risk.
- **Liquidity**
 - The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The portfolio structure should be such that maturities coincide with cash requirements, as much as reasonably possible. Since all possible cash requirements cannot reasonably be anticipated, investments may include securities with active secondary markets or immediate liquidity features for non-market traded securities.
- **Return on Investment**
 - Investments shall be constructed with the objective of attaining, at minimum, a benchmark rate of return throughout varying budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the preservation of capital and liquidity objectives.

Standard of Care

- **Prudence**
 - Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, considering the probable safety of capital as well as the probable income to be derived.
- **Internal Controls**
 - Management shall establish a system of internal controls. The internal controls shall be reviewed by the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties.

- **Ethics & Conflict Of Interest**

- Officers and employees involved in the investment process shall refrain from personal business activity with the same individual(s) with whom business is conducted on behalf of PARCSSD. Individuals involved with the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program or impair their ability to make impartial investment decisions.

Individual Responsibilities

Delegation Of Authority

- Authority to manage PARCSSD's investments is derived from *The Education Act, 1995* and *The Financial Administration Act, 1993*.
- The Board of Education delegates the management PARCSSD investments to the Director of Education, or their designate.
- The Director of Education, or their designate, of PARCSSD may from time to time engage consultants or other advisors to assist them in fulfilling their responsibilities.

Investment Opportunities

- In this section, "securities" includes bonds, debentures, trust certificates, guaranteed investment certificates or receipts, certificates of deposit, banker's acceptances, bearer deposit notes, deposit receipts, bills, notes and mortgages of real estate or leaseholds and rights or interests in respect of a security.
- PARCSSD may only invest its money in the following:
 - i. securities issued by the Government of Canada or of any province of Canada;
 - ii. securities whose payment is guaranteed by the Government of Canada or of any province of Canada;
 - iii. its own securities or securities of any other municipality or school division in Saskatchewan;
 - iv. securities that are issued or guaranteed by a bank, treasury branch, credit union, cooperative or trust corporation;
 - v. any other securities authorized by the school division
- All investments must be denominated in Canadian dollars.
- Investment placements will be determined through a competitive process.
- The amount and term of the investment shall be established prior to quotations being sought and shall remain unchanged upon receipt of the quotations. Within the limits as specified within this policy, the quotation with the highest interest rate shall be accepted. In the event of equal rates, the Director of Education, or their designate, shall determine with which institution the investment will be made.
- Investments in shares, warrants, or other equities, convertible debt securities, derivatives, swaps, options or futures are prohibited, and all investment categories that are not explicitly permitted are prohibited.

Ratings and Constraints

Risk Tolerance

- All securities must be readily marketable.
- Investment held must be rated by at least one rating agency, namely Moody's, Standard & Poor's (S&P) or Dominion Bond Rating Service (DBRS). All investments must be Investment Grade (at least BBB by S&P, or equivalent by DBRS or Moody's.), as classified in Appendix A. In the case where a security is rated by more than one agency listed, the higher ratings will apply.
 - **Cash:** The deemed rating for cash, including the current account and any High Interest Savings Accounts, will be equal to the rating of the institution it is being held in.
 - **Credit Unions:** The rating for securities issued by a Credit Union that is not rated shall be deemed equal to the rating of the province within which the credit union resides.
 - **Bank Deposits:** The deemed rating for securities issued by a bank will be equal to the credit rating of that bank.
 - **Securities issued by a Government entity:** The deemed rating for securities issued by a Government entity will be equal to the credit rating of that municipality, province, country or equivalent.